



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

May 12, 2000

H.R. 4392 **Intelligence Authorization Act for Fiscal Year 2001**

*As ordered reported by the House Permanent Select Committee on Intelligence
on May 10, 2000*

SUMMARY

H.R. 4392 would authorize appropriations for fiscal year 2001 for intelligence activities of the United States government, the Intelligence Community Management Account, and the Central Intelligence Agency Retirement and Disability System (CIARDS).

This estimate addresses only the unclassified portion of the bill. On that limited basis, CBO estimates that implementing the bill would cost \$144 million over the 2001-2005 period, assuming appropriation of the authorized amounts. The bill would affect direct spending by insignificant amounts; thus, pay-as-you-go procedures would apply. H.R. 4392 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of the unclassified portions of H.R. 4392 is shown in the following table. CBO cannot obtain the necessary information to estimate the costs for the entire bill because parts are classified at a level above clearances held by CBO employees. For purposes of this estimate, CBO assumes that the bill will be enacted by October 1, 2000, and that the authorized amounts will be appropriated for fiscal year 2001. Estimated outlays are based on historical spending patterns. The costs of this legislation fall within budget function 050 (national defense).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law for Intelligence Community Management						
Budget Authority ^a	157	0	0	0	0	0
Estimated Outlays	135	47	9	3	0	0
Proposed Changes						
Authorization Level	0	144	0	0	0	0
Estimated Outlays	0	89	43	9	3	0
Spending Under H.R. 4392 for Intelligence Community Management						
Authorization Level ^a	157	144	0	0	0	0
Estimated Outlays	135	136	53	12	3	0

a. The 2000 level is the amount appropriated for that year.

Spending Subject to Appropriation

The bill would authorize appropriations of \$144 million for the Intelligence Community Management Account, which funds the coordination of programs, budget oversight, and management of the intelligence agencies. Section 501 would extend through December 31, 2003, a program that allows the Central Intelligence Agency (CIA) to engage in commercial activities as security for intelligence collection. CBO does not have the necessary information to estimate the budgetary impact of this provision.

Direct Spending

The bill would authorize \$216 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The payment to CIARDS is considered mandatory, and the authorization under this bill would be the same as assumed in the CBO baseline. Section 401 would expand a program that authorizes the CIA to provide goods and services on a reimbursable basis by allowing the agency to rent property and equipment to its employees and those on detail from other agencies. CBO estimates that the costs of providing those services would be offset by the reimbursements and that this provision would have an insignificant net impact each year and no net budgetary impact over the long run.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. CBO estimates that the net change in outlays that are subject to pay-as-you-go procedures would be insignificant for each year.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 4392 contains no intergovernmental or private-sector mandates as defined in UMRA and would not affect the budgets of state, local, or tribal governments.

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